



EXHIBIT 3
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HB HJC

AMERICAN POSTAL WORKERS UNION, AFL-CIO

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Good Afternoon.

Mr. Chairman and members of the committee, for the record my name is Janet Kosnik. I am President of the American Postal Workers Union Local #649 in Helena Montana and I am here today to testify in support of House Resolution 4. I have handed out copies of my testimony and will just briefly highlight some of the main points.

The Postal Service's Evolutionary Network Development (END) plan includes eliminating overnight delivery of mail, consolidation of mail under its Area Mail Processing (AMP) study, and centralization of mail processing facilities.

The Postal Service's END strategy is a deeply flawed plan, for the following reasons:

- (1) consideration of service impacts are omitted from the Postal Service's Plan;
- (2) costs to the Postal Service and to the Public are not accurately measured;
- (3) the Postal Service's proposal contains no criteria for balancing service impacts with efficiency and cost savings;
- (4) public input is not timely or adequately considered in the process; and
- (5) postal management does not consistently adhere to the procedures of END.

Section 101 of the Postal Reorganization Act (PRA or Act) expresses the fundamental policy that "...The Postal Service shall have as its basic function the obligation to provide postal services to bind the Nation together through the personal, educational, literary, and business correspondence of the people. It shall provide prompt,

reliable, and efficient services to all communities..." and "The Postal Service shall provide a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining..."

In addition Section 403 of the Act requires a balancing of the economies of postal operations and the public's access to essential postal services by stating:

- (a) The Postal Service shall plan, develop, promote, and provide adequate and efficient postal services at fair and reasonable rates and fees... The Postal Service shall serve as nearly as practicable the entire population of the United States.
- (b) It shall be the responsibility of the Postal Service-
 - (1) to maintain an efficient system of collection, sorting, and delivery of the mail nationwide
 - (2) to provide types of mail service to meet the needs of different categories of mail and mail users; and
 - (3) to establish and maintain postal facilities of such character and in such locations that postal patrons throughout the Nation will, consistent with reasonable economies of postal operations, have ready access to essential postal services.
- (c) In providing services and in establishing classifications, rates and fees under this title, the Postal Service shall not, except as specifically authorized in this title, make any undue or unreasonable discrimination among users of the mails, nor shall it grant any undue or unreasonable preferences to any such user."

Last year, the Postal Service filed a Request for an Advisory Opinion with the PRC, to make changes in the above Act to relax current mail delivery standards. If such a change in the Act is approved, then overnight delivery of mail will be eliminated.

Nationwide, the Postal Service's own "data show that approximately 45 percent of First-Class Mail and 20 percent of Priority Mail has an overnight delivery standard." To allow the relaxation of delivery standards would mean there would be no overnight delivery in the state of Montana-no overnight service in or between our cities and towns.

Earlier this month, US Representative Jo Ann Emerson of Missouri sponsored non-binding House Concurrent Resolution 13 which expresses similar concerns to ours in Montana. Both the House and the Senate agreed "that the US Postal Service-

- (1) should provide a maximum degree of effective and regular postal services to all communities, including rural areas and small towns where post offices may not be self-sustaining; and
- (2) should take all necessary steps to ensure that post offices are not closed or consolidated."

Last week, the Postal Service cancelled the AMP study to consolidate Helena's mail citing "...there are currently no significant opportunities to improve efficiency and/or service through consolidation of our mail processing or transportation operations." This was excellent news for Helena, the surrounding communities and the state of Montana-all who would've been affected by the consolidation and the delay of mail. But the Postal Service may choose to conduct another AMP study in the future.

To allow the Postal Service to relax the current mail delivery standards would affect all our citizens. The elimination of overnight delivery would result in delays of State correspondence to our Montana citizens, delays of important legal documents, hunting and fishing licenses and permits, and also the delay of remitted monies due the State. These reliable, timely services are vital in our rural state with such great distances between cities and towns. Our citizens depend on the Postal Service for connection to other services, friends, relatives and other important legal, medical and business correspondence.

Governor Schweitzer expressed his concern over the possibility of consolidation and its effects to our state in his November 15, 2006 letter to the Postal Rate Commission. Our Governor stated "The Postal Service has a long history of service to American citizens. The local post office has historically been a key part of any community's identity and pride. Local postmasters, postal workers, mail clerks and carriers are vital to our residents' ability to communicate with their neighbors across town or across the world, our businesses' ability to communicate with their customers, and our government's ability to communicate with every citizen."

Over the past year, Montana's US Senator Max Baucus has also "received unsatisfactory answers" to inquiries generated from his office. The Post Office prefers to conduct business behind closed doors, without local community involvement and without input from our Congressional delegation.

At this time, Helena had been the only city identified in Montana under a consolidation study. But there's no guarantee that the USPS will stop with Helena. Other cities may be considered for consolidation in the future if the Postal Service is allowed to continue with its flawed plan. The Postal Service may change their criteria for the feasibility of such a plan and may look at moving Helena's mail once again.

Recently Olympia, Washington's state capital has felt the USPS's shortsighted consolidation of their mail. It is now sent to Tacoma WA. For processing. Tacoma can not handle all of Olympia's mail and therefore, Tacoma now sends their mail to Seattle. The long term goal of the Postal Service in Washington State is to have all mail on the eastern side of the state sorted in Seattle and on the western side, in Spokane.

The Postal Service's goal is to have between 28 and 100 Regional Processing Centers (RDC), nationwide. Billings would be our state's RDC and at that point, the Helena Main Post Office would have only window and carrier services. There would be no mail processing in the Capitol City, no personal service, no overnight delivery. Also, future plans are for Butte to transport their outgoing mail to Missoula and then Butte's mail would return for distribution. That would mean Butte would lose its postmark since their mail would be postmarked in Missoula. If the USPS is successful in their Evolutionary Network Development (END) plan we can be assured of a loss of service, additional costs and inefficiency. As our Governor Schweitzer so aptly wrote to the PRC "In the rush to demonstrate operational efficiencies, the Postal Service should never forget the key word of its title...**service.**"

Our historic Capitol City postmark was also in jeopardy of being lost. If mail was no longer cancelled in Helena and was transported to Great Falls for processing, it would've received a Great Falls postmark. The Postal Service will tell us that there will be no loss of Helena's postmark because any citizen or tourist may wait in line at the Main Post Office or at the Last Chance Station and ask a window clerk to

hand cancel their mail with Helena's postmark.

The Postal Service never did allow our community to voice their opposition to the consolidation. We have had much support from our local community leaders, MT AFL-CIO, the Helena Area Chamber of Commerce, US Senator Jon Tester and, of course, US Senator Max Baucus. Senator Baucus has been very proactive in contacting the USPS in Washington DC to request information on our consolidation study and to express his opposition to Helena's loss of its postmark. And he remains dedicated to retaining Helena's mail processing, our Capitol postmark and postal workers **IN** Helena.

Our citizens have also expressed their opposition to a possible reduction in Helena's mail service by signing their names on a petition in opposition to moving Helena's mail to Great Falls. I have collected over 2500 signatures from our outraged citizens.

Last month, in a blistering criticism of the Postal Service's Evolutionary Network Development strategy-their consolidation plan, the Postal Rate Commission concluded that the "record does not provide assurance that the proposed realignment program will meet its declared goals. In particular, the record reflects flawed or absent information on certain crucial aspects of the Postal Service's plan for realignment."

In a report dated Dec. 19, the independent panel said, "The Commission advises postal management to address and remedy questionable data choices and assumptions before proceeding to completion of the design of the new mail processing network."

Recent Area Mail Processing studies, the report said, "do not comport with applicable guidelines. They do not reflect systematic, consistent, or replicable projections of costs; they provide limited review of service impacts; and they utilize no discernible standards for evaluating or balancing cost and service impacts. Furthermore, required post-implementation reviews have not been done."

Now that the Postal Rate Commission has halted the Postal Service's current consolidation plans, this is the time for the Legislature to adopt House Resolution Number 4 protecting our current mail delivery standards in Montana. Your resolution may impact Federal legislation.

As our legislators, you represent Montana voters and their concerns. And passing House Resolution 4 will show the Postal Service that you support Montanans in their opposition to the relaxation of current mail delivery standards.

Thank you, Mr. Chairman and members of the committee. This concludes my testimony. I would urge your support for House Resolution number 4.

I will be available to answer any questions the committee may have.